

TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM

[SB 862 (2014)]

August 2014

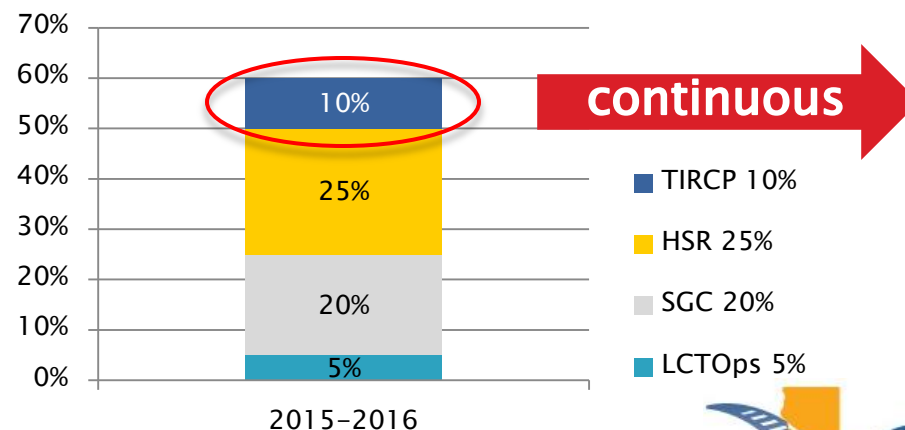
Starting Points:

Climate Policy to Reduce GHG Emissions

- ▶ **AB 32 (2006)**
 - Target:
 - Greenhouse Gas (GHG) emissions at 1990 levels by 2020 and maintain reductions
 - Authorized the Cap and Trade Program at the Air Resources Board (ARB)
- ▶ **SB 375 (2008), SB 391 (2009)**
 - Required Sustainable Communities Strategies in Regional Transportation Plans, and a sustainable statewide transportation plan
- ▶ **High-Speed Rail/Prop. 1A (AB 3034, 2008)**
 - Helps reduce GHG emissions by investing in both high-speed rail and existing rail systems

2014-15 Budget – SB 862

- ▶ Directs proceeds from Greenhouse Gas Reduction Fund to specific programs
- ▶ Transit and Intercity Rail Capital Program (TIRCP or Program) established
 - ▶ \$25 million of FY 2014–15 funds
 - ▶ 10% of future annual GGRF proceeds continuously appropriated



What are the key Transit and Intercity Rail Capital Program Purposes?

- ▶ High-Level Summary
Transformative investments that increase the use of low-carbon forms of public transportation on an integrated statewide network
- ▶ Modernize rail and bus systems to:
 - Reduce GHG emissions
 - Improve/expand service and increase ridership
 - Integrate existing bus and rail operations with each other and with high-speed rail
 - Improve safety

What are the roles of Caltrans, CalSTA, Strategic Growth Council and CTC?

- ▶ CalSTA will work with Caltrans and CTC to:
 - Establish program guidelines
- ▶ The Strategic Growth Council:
 - Review guidelines for consistency with State policy
- ▶ CalSTA will work with Caltrans to:
 - Solicit and evaluate funding applications
 - Prepare the project list
- ▶ The CTC:
 - Award grants to applicants pursuant to the list prepared by CalSTA



The Rough Process, Diagrammed

CalSTA, Caltrans, and CTC

Draft, Define, and Publish Guidelines

CalSTA and Caltrans

Solicit Applications

CalSTA and Caltrans

Evaluate Applications and Select Projects

CTC

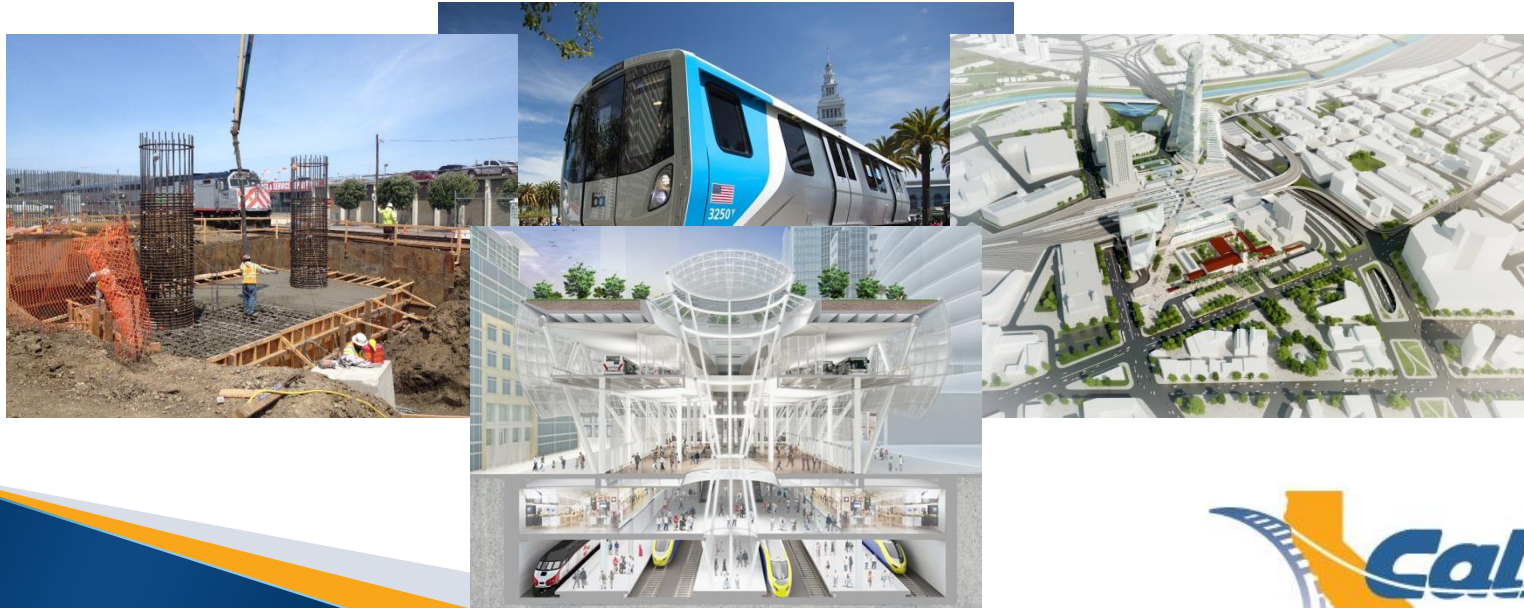
Award Grants to Projects



What projects are eligible for funding?

1. Rail capital projects

- Projects that expand, enhance, and improve existing rail systems and connectivity to existing and future rail systems, including the high-speed rail system
- Includes acquisition of rail cars and locomotives



What projects are eligible for funding?

[Continued...]

2. Rail integration implementation

- Integrated ticketing/scheduling systems
- Shared-use corridors
- Related planning and other service integration initiatives



What projects are eligible for funding?

[Continued...]

3. Intercity and commuter rail projects that:

- Increase service levels
- Improve reliability
- Decrease travel times



What projects are eligible for funding?

[Continued...]

4. Bus transit investments

- To increase ridership / reduce GHG emissions

5. Other project types may be identified



Key eligibility requirement for all Program Projects:

- ▶ “[A] project shall demonstrate that it will achieve a reduction in [GHG] emissions.” (Emphasis added.)
 - Cal. Pub. Res. Code section 75221, subd. (b)
- ▶ The State Air Resources Board will develop guidance on reporting and quantification methods for all state agencies that receive appropriations from Cap and Trade proceeds
 - Cal. Gov. Code section 16428.9 (a)(5)

How will the Program benefit disadvantaged communities?

- ▶ SB 535 of 2012, requires that a minimum of 25% of overall Cap and Trade auction proceeds benefit disadvantaged communities, as identified by CalEPA
- ▶ The Program is assigned that same 25% minimum for disadvantaged communities in SB 862
- ▶ The Air Resources Board will develop funding guidelines to guide state agencies in maximizing benefits to disadvantaged communities, and is having workshops to solicit public input



How are guidelines developed?

- ▶ The law directs CalSTA to:
 - ▶ Adopt Transit and Intercity Rail Program procedures and program guidelines for the submittal of grant applications to CalSTA for evaluation
 - ▶ Conduct two public workshops on draft program guidelines:
 - Must contain selection criteria
 - Must be posted on CalSTA website 30 days before 1st workshop
 - Must be concurrently transmitted to legislative fiscal and policy committees
- ▶ CalSTA is having supplemental workshops, beyond those statutorily required, to receive early input from the public (August 21, 22, and 27 in San Jose, Sacramento, and Los Angeles, respectively).



What must CalSTA consider in evaluating grant applications for funding?

1. The co-benefits of projects that support Sustainable Communities Strategies (SCS) through one or more:

- Reducing vehicle-miles traveled through increased rail ridership
- Promoting housing near rail stations
- Expanding existing rail and public transit
- Implementing clean vehicle technology
- Promoting active transportation (walking, cycling)
- Improving public health

What must CalSTA consider in evaluating grant applications for funding?

[Continued...]

2. Project priorities developed in collaboration by two or more rail operators and Memoranda of Understanding between State agencies and local/regional rail operators
3. Geographic equity
4. Consistency with adopted SCSs and recommendation of regional agencies



Key Issues for Early Stakeholder Discussion

- ▶ Duration and frequency of the programming cycle
 - Program one year of funding each year?
 - Adopt a 5-year program of projects, updated every 2 years?
- ▶ Focus and scale of program
 - Small number of transformational projects?
 - Large number of small projects benefiting many operators?
- ▶ Other?

